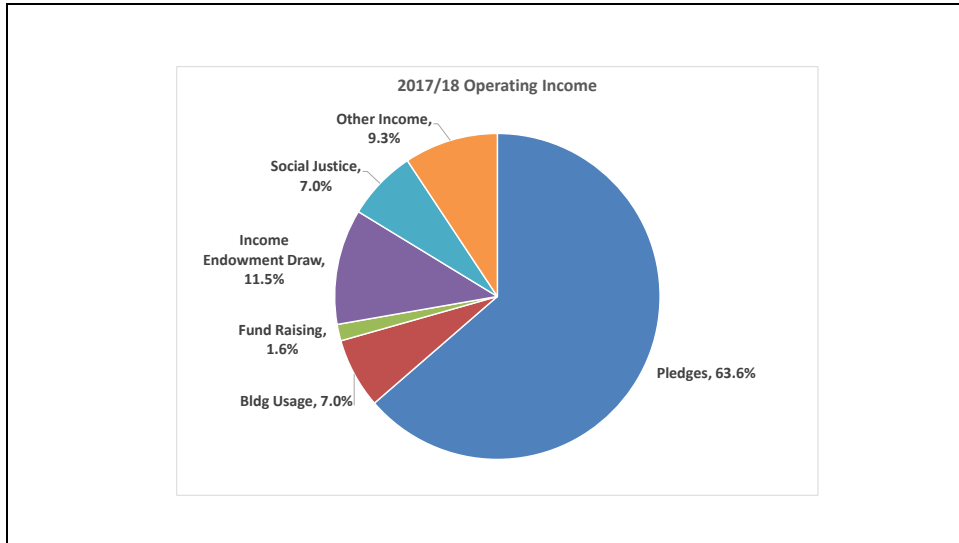


# 2017/18 BUDGET

Approved by the Board of Trustees  
For Vote at Annual Meeting of the Congregation,  
June 4, 2017

## **HIGHLIGHTS OF THE PROPOSED 2017/18 BUDGET:**

- We have had a very successful pledge drive / canvass led by the Thrive Team. The increase from this year to next reflects the congregation's resilience and commitment.
- This Budget is sustainable and is still essentially an austerity budget.
- First Unitarian Church has never had the resources to support three ministers without use of one-time resources and/or under funding mandates of the bylaws.
- Some of the work performed by Rev. Carlos Martinez in membership/hospitality is provided for in this budget with a quarter-time coordinator.
- A quarter time social justice coordinator will devote most of that time to supporting the Schools Partnership that has had a coordinator for nearly all of its history. The loss of this position over a year ago has had a noticeable effect on the level of volunteers participating in the Schools Partnership.
- Landscape / gardening support has been restored.
- The Property Maintenance & Improvement Fund contribution has been restored to the level mandated by the Bylaws, which adds nearly \$40,000 to expense.
- Except for the Pledge Match, this budget does not rely on one-time contributions.

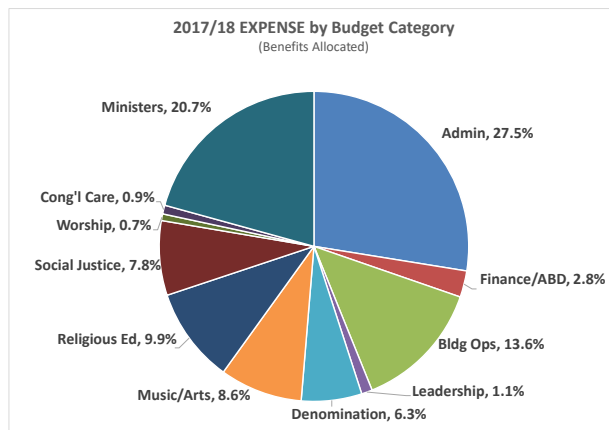


- From this chart, you can see that Pledges make up the largest part of our income. We are dependent upon ourselves to provide for our wonderful staff, building maintenance and the like.
- A portion of Other Income is the pledge match which is closely related to pledge income.
- The other major contributors to income are the Income Endowment Draw and Building Usage (rentals).
- Social Justice income represents the generous contributions to our social justice commitments to the outside community for the Greater Good, Plate Collections and grants.
- Note: Further explanation on the next page.

## Operating Income

	Projected 2016/17	Budget 2017/18	% Change
<b>Pledges</b>	\$694,431	<b>\$730,410</b>	5.2%
<b>Building Usage</b>	83,000	<b>80,000</b>	-3.6%
<b>Fund-Raising</b>	30,000	<b>18,784</b>	-37.4%
<b>Income Endowment Draw</b>	127,546	<b>131,449</b>	3.1%
<b>Social Justice</b>	74,593	<b>80,000</b>	7.2%
<b>From Sharkey Fund</b>	43,554	<b>0</b>	-100.0%
<b>Other Income</b>	222,890	<b>107,050</b>	-52.0%
<b>Total</b>	<b>\$1,276,013</b>	<b>\$1,147,693</b>	<b>-10.1%</b>

- Pledges reflect a positive Thrive canvass and are adjusted for expected defaults.
- Building Usage is budgeted conservatively as it depends on a variety of building rentals by non-profit groups and this has been a good year.
- Fund-Raising is budgeted conservatively and includes the Auction, Rummage Sale, Café Veritas and book sales.
- Income Endowment Draw is at 4.5%. Prior year was at 6%. Financial Advisory Committee recommended 4-4.5% as being sustainable; Board approved 4.5%. The church was the beneficiary of a significant bequest in 2016 which has allowed us to drop the percentage draw while increasing the dollar amount.
- Social Justice Income represents congregational generosity for the Greater Good, Plate Collections and grants from Social Investment Fund, Paul & Josephine Wenger Fund and the Gilbert Spirit Fund. An equal amount is included in expense and is sometimes referred to as the 'pass-through'.
- The Sharkey Fund was a bequest from a generous congregant. The congregation voted to use a part of it to fund additional ministers over the past three years. In Winter 2016, the part not used for budget was added to the Income Endowment.
- Other Income includes the Pledge Match, plate collections for our church and miscellaneous contributions. In 2016/17, this included the Fall 2016 pledge match, plate collections for the church, contributions to pay off Rev. Kaaren Anderson's negotiated severance, to fund some additional staffing as approved by the Board, and miscellaneous contributions.



- The perspective of this chart is to match the categories on the summary income and expense in the Treasurer's Report.
- This chart has all the budget categories that you see in the table on the following page, except
  - Caring Community has been combined with Congregational Care.
  - Staff Personnel which is virtually all benefits has been allocated based on where each person is employed, e.g., if the employee work in Religious Education, her benefits are included in Religious Ed.
- Because of the significant Administration and Building Operations Expenses, this view doesn't tell you enough about how we match our money with our mission.

## Operating Expenses

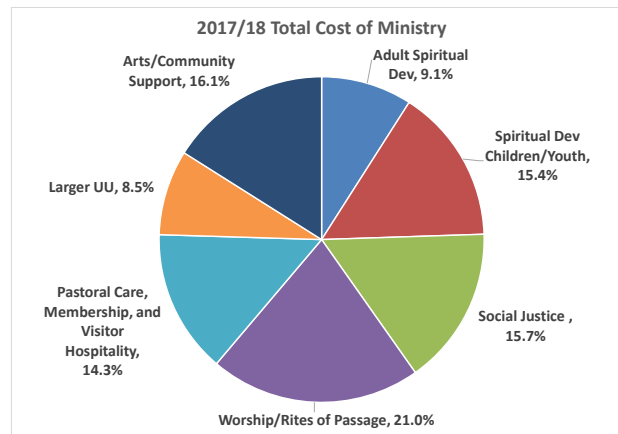
	Projected 2016/17	Budget 2017/18	% Change
Administration	\$230,148	<b>\$235,613</b>	2.4%
Building Operations	113,037	<b>155,849</b>	37.9%
Music & Arts	79,480	<b>82,010</b>	3.2%
Denomination	61,899	<b>72,503</b>	17.1%
Religious Education	90,607	<b>93,581</b>	3.3%
Finance/Canvass	29,217	<b>31,578</b>	8.1%
Social Justice	74,593	<b>88,570</b>	18.7%
Leadership/Governance	0	<b>13,000</b>	N/A
Caring Community	150	<b>200</b>	33.3%
Worship	4,240	<b>7,620</b>	79.7%
Congregational Care	2,800	<b>9,626</b>	243.8%
Ministers	396,549	<b>196,735</b>	-50.4%
Benefits / Personnel	158,093	<b>160,808</b>	1.7%
<b>Total</b>	<b>\$1,240,812</b>	<b>\$1,147,693</b>	<b>-7.5%</b>

- The increase in Administration represents a 3% increase in employee salaries (office staff and sextons) and some reduced expense related to telephone and internet.
- Building Operations increase reflects funding the Property Maintenance & Improvement Fund according to the Bylaws (added ~ \$40,000), as well as landscaping support and evening security sweeps.
- Music & Arts increase is primarily the 3% staff pay increase and brings back a portion of expense that was reduced for the past few years which supports such things as sheet music and Music Sunday.
- Denomination increase brings us back up to full fair share for UUA National and Region. Our congregation has a long history of paying fair share. We both get services and support maintaining and expanding the UU movement nationwide.
- Religious Education is primarily the 3% staff increase and for Sheila Schuh who achieved her master's degree and full credential as a religious educator.
- Finance/Canvass – the biggest part of this is the church liability insurance in addition to expenses related to the annual budget drive.
- Social Justice includes the expense side of our generous community support through Greater Good, Plate Collections and grants. The increase in expense versus income is for a quarter-time coordinator.
- Leadership Governance provides for Unity Consulting on Policy Governance, a Racism Audit and Search expense.
- Caring Community is a relatively small amount to cover shortfalls related to memorial service receptions – nearly all are covered by the deceased's family.
- Worship increase includes some guest preachers and additional A/V coverage.
- Congregational Care increase is for a quarter time membership coordinator.
- Ministers budget includes Revs Joel & Tina plus one month for Rev Carlos. Last year this had 11 months for Carlos and all of Rev. Kaaren Anderson's negotiated severance.
- Benefits / Personnel includes FICA, health insurance, retirement, etc. Increase reflects changes in these areas.

## Senior Interim Minister Compensation 2017/18

	Projected 2016/17	Budget 2017/18
Senior Minister Salary	\$191,612	\$85,000
Professional Expenses	13,000	11,500
Housing Allowance	47,550	30,000
Total	\$252,162	\$126,500

- According to our by-laws the congregation votes on the salary of the called senior minister. This is also New York State law.
- With an interim senior minister, a separate vote is not required.
- The information is here to provide transparency and to keep us in the habit of looking at this each year.
- In 2016/17, we had Joel's compensation and Kaaren's severance. Also, the Professional Expenses included \$4,000 for moving expenses.
- Joel's compensation in 2017/18 brings his salary and housing back to the contractual amount that he had originally agreed to for 2016/17 but that he had reduced upon his arrival last summer. His professional expense is also brought back up to 10% of Salary + Housing.
- *Note: if you are new to this, the Tax Code permits ministers to elect to split their basic compensation between Salary and Housing. There is broad discretion regarding how this is done, but the Housing portion reasonably represents costs such as rent. In theory, this goes back to a time when most ministers lived in parsonages owned by the churches.*



- The Total Cost of Ministry approach allocates all of our overhead (administration, building costs and the like) to the appropriate ministry, to the best of our ability to estimate it.
- Minister and other staff salaries/benefits are allocated to the areas where they spend their time. Thus, the senior minister has a large portion under worship and smaller portions for each of the program areas. If an intern is being supervised, then a portion of the senior minister's pay/benefits are allocated to Larger UU.
- While this is not 100% perfect . . . It is a pretty darn good portrayal.
- Arts and Community Support includes such things as Rental expenses, 12-step program support, First Muse, Café Veritas, the Art Gallery and the Church gardens.
- Larger UU includes support to the national and regional UUA as well as a small portion of the senior minister's time for supervising an intern in Canandaigua (for which we are compensated by the Canandaigua UU church).
- Social Justice includes the expense side of our congregation's generosity to the outside community for the Greater Good, Plate Collections and grants.